

**West Monroe - West Ouachita  
Chamber of Commerce, Inc.**

**Financial Statements  
As of and For the Years Ended  
December 31, 2006 and 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/5/07

# **West Monroe - West Ouachita Chamber of Commerce, Inc.**

**As of and For the Years Ended  
December 31, 2006 and 2005**

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Francis I. Huffman, CPA  
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John L. Luffey, MBA, CPA (1963-2002)

## INDEPENDENT AUDITORS' REPORT

### Board of Directors

**West Monroe – West Ouachita Chamber of Commerce, Inc.**  
**West Monroe, Louisiana**

We have audited the accompanying statements of financial position of the **West Monroe – West Ouachita Chamber of Commerce, Inc.** (the Chamber) as of December 31, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Chamber's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chamber as of December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2007, on our consideration of internal control over financial reporting of the Chamber and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

  
(A Professional Accounting Corporation)

June 29, 2007

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**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2006	2005 (restated)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 29,197	\$ 56,615
Investments	21,593	21,326
Accounts receivable	22,485	37,218
Contributions receivable	-	22,100
Total current assets	<u>73,275</u>	<u>137,259</u>
<b>Property, Plant and Equipment</b>		
Land	42,982	42,982
Building	170,968	170,968
Equipment	45,450	44,646
Furniture and fixtures	31,538	32,349
Improvements	80,079	36,663
Construction in process	-	20,830
Total property, plant and equipment	<u>371,017</u>	<u>348,438</u>
Less: accumulated depreciation	<u>(160,209)</u>	<u>(141,234)</u>
Net property, plant and equipment	<u>210,808</u>	<u>207,204</u>
<b>TOTAL ASSETS</b>	<u>\$ 284,083</u>	<u>\$ 344,463</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 21,677	\$ 14,286
Accrued payroll taxes and retirement payables	3,688	2,106
Funds held for others	43,731	38,686
Deferred revenue -		
Membership dues	9,188	76,169
Short-term debt	20,100	-
Total current liabilities	<u>98,384</u>	<u>131,247</u>
<b>Net Assets</b>		
Temporarily restricted	-	15,429
Unrestricted - undesignated	<u>185,699</u>	<u>197,787</u>
Total net assets	<u>185,699</u>	<u>213,216</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 284,083</u>	<u>\$ 344,463</u>

The accompanying notes are an integral part of these statements.

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED**

	December 31, 2006			December 31, 2005 (restated)		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>						
Contributions	\$ 21,332	\$ -	\$ 21,332	\$ 32,446	\$ 15,429	\$ 47,875
Special events:						
Golf tournament	14,712	-	14,712	14,050	-	14,050
Gala auction	-	-	-	2,330	-	2,330
Less cost of direct benefits to donors	(12,837)	-	(12,837)	(12,696)	-	(12,696)
Net revenue from special event	1,875	-	1,875	3,684	-	3,684
Contributions and net revenue from special events	23,207	-	23,207	36,130	15,429	51,559
Memberships dues	147,595	-	147,595	175,185	-	175,185
Membership directory	4,500	-	4,500	-	-	-
Interest income	47	-	47	103	-	103
Other income	3,179	-	3,179	3,657	-	3,657
Economic development	29,252	-	29,252	14,528	-	14,528
Education	7,250	-	7,250	4,370	-	4,370
Governmental affairs	4,130	-	4,130	2,765	-	2,765
Member services	11,653	-	11,653	20,091	-	20,091
Membership development	25,728	-	25,728	21,293	-	21,293
Total	256,541	-	256,541	278,122	15,429	293,551
Net assets released from restrictions	15,429	(15,429)	-	-	-	-
Total Support and Revenue	271,970	(15,429)	256,541	278,122	15,429	293,551
<b>Expenses</b>						
Program services:						
Economic development	19,796	-	19,796	22,785	-	22,785
Education	21,794	-	21,794	20,308	-	20,308
Governmental affairs	8,301	-	8,301	16,931	-	16,931
Member services	29,048	-	29,048	23,950	-	23,950
Supporting services:						
Management and general	136,775	-	136,775	136,614	-	136,614
Membership development	58,589	-	58,589	56,351	-	56,351
Fund raising	9,755	-	9,755	6,183	-	6,183
Total Expenses	284,058	-	284,058	283,122	-	283,122
Increase (decrease) in net assets	(12,088)	(15,429)	(27,517)	(5,000)	15,429	10,429
Net assets at beginning of year	197,787	15,429	213,216	202,787	-	202,787
Net assets at end of year	\$ 185,699	\$ -	\$ 185,699	\$ 197,787	\$ 15,429	\$ 213,216

The accompanying notes are an integral part of these statements.

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED**

	December 31,	
	2006	2005 restated
<b>Cash flow from Operating Activities:</b>		
Increase (Decrease) in net assets	\$ (27,517)	\$ 10,429
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	20,443	19,235
Amortization of unearned memberships	(577)	-
Promises to give	-	(15,532)
Donations of supplies for Chamber office renovations	-	(19,247)
Gain on sale of assets	-	(181)
Loss on abandonment	-	850
Changes in current assets and liabilities:		
Accounts receivable	14,733	382
Accounts payable	7,391	13,591
Accrued payroll taxes and retirement payable	1,582	(2,729)
Deferred revenue	(66,962)	15,362
Total Adjustments	<u>(23,390)</u>	<u>11,731</u>
Net cash provided (used) by operating activities	<u>(50,907)</u>	<u>22,160</u>
<b>Cash flow from Investing Activities:</b>		
Purchase of investments	(47)	(103)
Contributions to Scholars' Banquet	4,825	2,719
Proceeds from sale of equipment	-	200
Purchase of equipment	(1,289)	(5,695)
Payment on construction in process	<u>-</u>	<u>(1,583)</u>
Net cash provided (used) by investing activities	<u>3,489</u>	<u>(4,462)</u>
<b>Cash flow from Financing Activities:</b>		
Proceeds from line of credit	20,000	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(27,418)</b>	<b>17,698</b>
<b>Cash - beginning of year</b>	<u>56,615</u>	<u>38,917</u>
<b>Cash - end of year</b>	<u>\$ 29,197</u>	<u>\$ 56,615</u>

(Continued)

The accompanying notes are an integral part of these statements

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**STATEMENTS OF CASH FLOWS (CONCLUDED)**  
**FOR THE YEARS ENDED**

	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
<b>Supplemental disclosures</b>		
<b>Noncash operating activities:</b>		
<b>Support and revenue:</b>		
Contribution of accounting services	\$ 13,020	\$ 6,669
Contribution of supplies for renovation of Chamber offices	-	15,347
Contribution of carpet and labor for Chamber offices	-	3,900
Contribution of merchandise for gala auction and raffle	6,350	4,805
Contribution of merchandise for golf tournament	950	-
Trade-outs received for membership dues	1,300	7,325
Total noncash support and revenue	<u>21,620</u>	<u>38,046</u>
<b>Expenses:</b>		
Contributed accounting services	13,020	6,669
Receipt of merchandise for gala auction and raffle	6,350	4,805
Receipt of merchandise for golf tournament	950	-
Trade-outs for golf tournament sponsorship	250	-
Trade-outs used in membership development	-	500
Trade-outs use in fund raising	250	625
Trade-outs used in management and general	800	6,200
Total noncash expenses	<u>21,620</u>	<u>18,799</u>
<b>Noncash investing activities:</b>		
Receipt of supplies, carpet and labor for renovation of Chamber offices	\$ -	\$ 19,247
Additions to fixed assets from contributions receivable	22,100	-
Total noncash investing activities	<u>\$ 22,100</u>	<u>\$ 19,247</u>

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 and 2005**

**Note 1 - Summary of Significant Accounting Policies**

*A Organization*

The West Monroe Chamber of Commerce, Inc. was incorporated under the laws of the State of Louisiana in March, 1956 for the purpose of providing opportunities conducive to stable economic growth to enhance the quality of life for the citizens of the area. Due to the tremendous population growth throughout western Ouachita Parish, in 1986 the Board of Directors deemed it feasible to change the name to the West Monroe - West Ouachita Chamber of Commerce, Inc. (the Chamber). The Chamber receives dues for membership principally from businesses and individuals located in the City of West Monroe, Louisiana, and western Ouachita Parish.

*B Basis of Presentation and Accounting*

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations*.

The financial statements of the Chamber are presented as recommended by the Financial Accounting Standards Board in Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Chamber is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2006 and 2005, there were no permanently restricted net assets.

The Chamber administers the Scholars' Banquet for a foundation consisting of the Junior League of Monroe, Monroe Chamber of Commerce, NewsStar World Publishing Company, Chase, and the West Monroe-West Ouachita Chamber. Scholars' Banquet activity is recorded as Agency Transactions and therefore the assets are listed under cash and investments and are offset by liabilities shown as Funds Due to Others, on the Statements of Financial Position (See Note 9).

*C Cash and Cash Equivalents*

For purposes of the Statements of Cash Flows, the Chamber considers time deposits and certificates of deposits with an original maturity of three months or less to be cash equivalents.



**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 and 2005**

*D Contributions*

The Chamber has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

*E. Property and Equipment*

The Chamber capitalizes all expenditures for property and equipment in excess of \$300. Purchased property and equipment is carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. Estimated useful lives are generally as follows: Buildings, 20 years; Furniture & Fixtures, 7 years; Equipment, 5-7 years; and Building Improvements, 7-10 years. Depreciation expense in 2006 and 2005 was \$20,443 and \$19,235, respectively.

*F. Deferred Revenues*

In previous years the Chamber billed its membership for dues during the month of the member's anniversary date. Revenue from membership dues was deferred and recognized in the statement of activities on a straight-line basis over a one year period from the member's anniversary month. During 2006, the Chamber prorated its billing to its membership from the member's anniversary month to December 31, 2006, in order to get all members on a calendar year basis beginning in 2007. Revenue for membership dues received prior to December 31, 2006 for 2007 memberships was deferred at December 31, 2006 (See Note 9).

*G Tax Status*

The Chamber has qualified as an organization exempt from federal income taxes pursuant to Section 501(c)(6) of the Internal Revenue Code; therefore, there is no provision for income taxes in the accompanying financial statements.

*H Net Assets*

Temporarily restricted net assets represent funds restricted by the donors for renovations to the Chamber's offices. As the Chamber expended these funds, the restrictions were satisfied and these amounts were reclassified to unrestricted net assets.

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 and 2005**

*I Functional Allocation of Expenses*

Program services are those directly related to the purposes for which the Chamber exists. Supporting services expenses reflect other expenses incurred in operating the programs, fund raising and membership development. Various operating expenses not directly connected with specific functions or program services are allocated to supporting services. The direct cost of providing the various programs and other activities have been summarized in the statements of activities. Salaries and employee benefits are allocated to program and supporting services based upon management's estimate of time each employee devotes to various activities.

Program services include:

Economic Development – focuses on bringing business to the West Ouachita parish area.

Education – supports the education of the area through the Adopt-A-School program and the awarding of college scholarships.

Governmental Affairs – focuses on state, local and federal government initiatives.

Member Services – benefits members of the Chamber by providing valuable information through newsletters and magazines. The Chamber also provides literature to newcomers to acquaint them with Ouachita Parish. This information is also available on the Chamber's website.

Supporting services include:

Management and General – includes oversight, business management, general record keeping, budgeting and financing of the Chamber.

Membership Development – includes soliciting for prospective members and membership dues.

Fund Raising – includes the cost of the golf tournament, gala and other activities held by the Chamber.

*J Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 and 2005**

affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the relevant period. Actual results could differ from the estimates.

Minor reclassifications have been made to prior year financial statements to make them comparable to the current year presentation.

**Note 2 - Investments**

Investments (consisting of certificates of deposit) are stated at cost, which approximates market value. The Chamber uses these funds to award educational and business scholarships.

**Note 3 - Accounts Receivable**

Accounts receivable consisted of the following:

	December 31,	
	2006	2005
Membership dues	\$ 6,001	\$ 34,930
Trade receivables	16,484	1,337
Due from employees		951
Total	\$ <u>22,485</u>	\$ <u>37,218</u>

Trade receivables consist primarily of amounts due from attendees and sponsors of various Chamber events and amounts due from the City of West Monroe for services provided. All receivables are considered to be collectible within the following fiscal year, therefore, no allowance for doubtful accounts has been established.

**Note 4 - Line of Credit**

Short-term debt of the Chamber at December 31, 2006 consists entirely of a line of credit. The line has a limit of \$25,000 and carries an interest rate of 8.75%. All outstanding balances are due on April 5, 2007.

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 and 2005**

**Note 5 - Employee Benefit Plan**

The Chamber provides a defined contribution retirement plan for eligible employees. To participate in the plan, employees must be at least 21 years of age and have provided one year of service. The Chamber contributes 5% of each participating employee's earnings. Employees may contribute 1% to 10% of their earnings on an after-tax basis. The Chamber contributed \$1,970 in 2006 and \$1,328 in 2005.

**Note 6 - In-Kind Services and Materials**

Contribution of services, which are recognized when they are received if the services (a) enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During 2006, the value of contributed accounting services recognized as revenue in the accompanying Statement of Activities was \$13,020.

In-kind contributions consisted of donated material and supplies to be used by the Chamber in its daily operations. The estimated fair value of these donations was \$7,300 and \$45,550 for the years ended December 31, 2006 and 2005, respectively, and they are reflected in the accompanying Statement of Activities.

**Note 7 - Supporting Services**

Management and General expenses consisted of the following for 2006 and 2005, respectively:

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 and 2005**

	2006	2005
Salaries and employee benefits	\$ 49,170	\$ 45,293
Automobile expense	1,668	2,887
Advertising	133	4,364
Building expenses	5,300	5,874
Contributions	-	945
Depreciation	20,443	19,235
Dues and subscriptions	1,417	2,560
Equipment maintenance	1,192	1,485
Equipment rental	1,762	783
Insurance	3,338	3,147
Interest expense	468	-
Meetings	3,484	-
Office expense	11,713	8,848
Printing and reproduction	644	2,631
Professional fees	18,316	16,009
Professional development	-	721
Postage	2,898	2,998
Recruitment and hiring	-	405
Telephone	4,734	4,774
Travel and entertainment	3,263	2,443
Utilities	6,081	7,775
Other	751	3,437
Total	\$ <u>136,775</u>	\$ <u>136,614</u>

Membership development expenses consisted of the following for 2006 and 2005, respectively:

	2006	2005
Salaries and benefits	\$ 33,406	\$ 27,956
Contract Labor	236	4,890
Membership drive	-	1,299
Banquet expenses	22,493	20,890
Other	2,454	1,316
Total	\$ <u>58,589</u>	\$ <u>56,351</u>

Fund raising expenses consisted of salaries and wages of \$9,755 and \$6,183 for 2006 and 2005, respectively.

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 and 2005**

**Note 8 - Operating Leases**

The Chamber leases certain equipment under the terms of a sixty-six month agreement. Rental expense for 2006 totaled \$1,762. Future minimum lease payments are:

2007	\$ 1,305
2008	1,305
2009	1,305
2010	1,305
2011	653
Total	<u>\$ 5,873</u>

**Note 9 - Restatement**

The Chamber administers the Scholars' Banquet for a foundation consisting of the Junior League of Monroe, Monroe Chamber of Commerce, NewsStar World Publishing Company, Chase, and the Chamber. In previous years the Chamber has excluded from its financial statements the checking account and certificates of deposit that were associated with the Scholars' Banquet. This exclusion has been disclosed in the previous years notes to the financial statements of the West Monroe-West Ouachita Chamber. During 2006, it was determined that a Chamber employee and previous officers of the Chamber had control over these assets and, therefore, these assets should have been accounted for as agency transactions. Agency transactions only affect the statement of financial position. The December 31, 2005 statement of financial position has been restated to reflect \$38,686 of cash and investments. An offsetting liability for the same amount is reflected as funds held for others. Of this amount, \$5,095 represents a certain investment which the Chamber reported as restricted for education and business college scholarships. Upon further inspection, it was determined that this amount was in fact, Scholars' Banquet funds not belonging to the Chamber. Investments and Temporarily Restricted Net Assets on the 2005 Statement of Financial Position have been reduced by this amount.

The Chamber maintains its interim records on the cash basis of accounting. At year end, entries are made to convert the financial statements to the accrual basis. As more fully described in Note 1(F), in previous years, the membership was billed annually according to their anniversary month. At year end, accounts receivable, deferred revenue, and membership dues revenue are recognized and recorded as appropriate. In 2006, again as more fully described in Note 1(F), the Chamber began converting its membership billing to a calendar year basis. During this time it was discovered that accounts receivable and membership dues revenue were overstated at December 31, 2005 by \$22,987. The 2005

**WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 and 2005**

financial statements have been restated to show \$22,987 less in membership dues revenue, accounts receivable, and net assets. Also, an investment in the amount of \$1,498, which had previously been reported as restricted for education and business college scholarships, was determined to be a regular, unrestricted investment. A reclassification in this amount has been made between temporarily restricted net assets (decrease) and unrestricted net assets (increase) on the 2005 Statement of Financial Position.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**Board of Directors**

**West Monroe – West Ouachita Chamber of Commerce, Inc.**

We have audited the financial statements of the **West Monroe – West Ouachita Chamber of Commerce, Inc.** (the Chamber) as of and for the year ended December 31, 2006, and have issued our report thereon dated June 29, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered the Chamber's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Chamber's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Chamber's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Chamber's financial statements that is more than inconsequential will not be prevented or detected by the Chamber's internal control. We consider the deficiency described as finding 06-01 in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.



**Board of Directors  
West Monroe – West Ouachita  
Chamber of Commerce, Inc.**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Chamber's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Chamber's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of management of the West Monroe – West Ouachita Chamber of Commerce, the Board of Directors, entities granting funds to the Chamber, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.



**(A Professional Accounting Corporation)**

**June 29, 2007**

**WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.**  
**West Monroe, Louisiana**

**Schedule of Findings**  
**December 31, 2006**

**06-01 Agency Transactions**

***Finding:***

The West Monroe – West Ouachita Chamber of Commerce (the Chamber) maintains approximately \$40,000 in funds under its federal identification number on behalf of the Scholars' Banquet. This constitutes an agency relationship on the part of the Chamber. As an agent for the Scholars' Banquet, the Chamber has a fiduciary duty to maintain Scholars' Banquet funds under the same level of scrutiny as it would for Chamber funds. During our audit, it was discovered that one Chamber employee processes, reviews, and has complete signatory authority over all Scholars' Banquet accounts. This is a lack of internal control over agency funds which could lead to an opportunity for misappropriation of funds.

***Recommendation:***

It is our recommendation that the Chamber apply its own internal control processes over Scholars' Banquet funds or that other members of the Scholars' Banquet take a more active role in the administration of Scholars' Banquet funds.

***Management's Corrective Action Plan:***

The certificates of deposit for the Scholar's Banquet are "held" by the West Monroe-West Ouachita Chamber of Commerce. Bank statements for the CD's are kept on file at the office as are all receipts and records of issued checks. No disbursements can be made without the approval of the Scholar's Foundation Board of Directors. All financial transactions are presented to the Board at monthly meetings for approval.

**WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.  
WEST MONROE, LOUISIANA**

**SUMMARY OF STATUS OF PRIOR YEAR FINDINGS**

The following is the status of findings included in Luffey, Huffman, & Monroe's, (A Professional Accounting Corporation) audit report dated March 3, 2006 on the financial statements of the Chamber as of and for the year ended December 31, 2005.

**Management Letter:**

**Receipts from Chamber Luncheons**

**Recommendation** – Chamber employees should maintain more detailed sign-in sheets for Chamber events and receipts from Chamber events should be reconciled to validated deposit slips.

**Status** – Chamber employees now perform these functions.